

House of Representatives, April 9, 1998. The Committee on Finance, Revenue and Bonding reported through REP. SCHIESSL, 60th DIST., Chairman of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT IMPLEMENTING THE REGIONAL ASSETS AD HOC COMMITTEE RECOMMENDATIONS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) As used in this act:

2 (1) "Board" or "board of directors" means the  
3 governing body of a regional assets district  
4 established pursuant to section 2 of this act;

5 (2) "Regional assets district" or "district"  
6 means any district established pursuant to section  
7 2 of this act;

8 (3) "Municipality" means a town, city or  
9 borough;

10 (4) "Regional asset" means a civic, science,  
11 recreational, sports, arts, transportation or  
12 cultural facility or project, or a library which  
13 is part of a multi-municipal-system, but does not  
14 include schools or health care facilities.

15 Sec. 2. (NEW) (a) Any regional council of  
16 governments organized under the provisions of  
17 sections 4-124i to 4-124p, inclusive, of the  
18 general statutes, and any council of elected  
19 officials organized under sections 4-124c to  
20 4-124h, inclusive, of the general statutes, whose  
21 member towns represent fifty per cent or more of  
22 the population in its planning region may, by

23 concurrent ordinance of the legislative body of  
24 each municipality that is a member of such  
25 regional council of governments or council of  
26 elected officials, as the case may be, establish a  
27 regional assets district. Any two or more regional  
28 councils of governments or councils of elected  
29 officials may jointly establish a regional assets  
30 district.

31 (b) Any municipality may withdraw from a  
32 district by adoption of an ordinance by its  
33 legislative body. Any such ordinance shall be  
34 effective six months after such adoption.

35 Sec. 3. (NEW) (a) Each regional assets  
36 district established pursuant to section 2 of this  
37 act shall be a body corporate and politic. Any  
38 such district shall be a political subdivision of  
39 the state established and created for the  
40 performance of an essential public and government  
41 function.

42 (b) Each district shall continue in existence  
43 perpetually regardless of any actions by a  
44 municipality except that the district may be  
45 terminated pursuant to an intergovernmental  
46 cooperation agreement between the municipalities  
47 which transfers without impairment all of the  
48 administrative, managerial or financial functions  
49 exercised with respect to regional assets by the  
50 district to a municipality within the district.

51 (c) The district shall be governed by a board  
52 of directors, the composition of which shall be  
53 part of the initial concurrent ordinance  
54 authorizing the formation of the district. The  
55 members shall elect from among themselves a  
56 chairperson, vice-chairperson, secretary,  
57 treasurer and such other officers as they may  
58 determine. A member may hold more than one office  
59 of the board at any time. Members may serve  
60 successive terms as officers of the board.

61 (d) The board shall meet as frequently as it  
62 deems appropriate but at least once during each  
63 quarter of the fiscal year. A meeting of the board  
64 shall be called by the chairperson upon request to  
65 the chairperson by at least two members of the  
66 board. A majority of the members of the board  
67 shall constitute a quorum for the purpose of  
68 conducting the business of the board and for all  
69 other purposes, except that for the purposes of  
70 making decisions regarding personnel matters,

71 contracts and capital and operating budgets, and  
72 deciding whether to enter into cooperation and  
73 support agreements with regional assets, an  
74 affirmative vote of sixty per cent of the members  
75 of the board shall be required.

76 Sec. 4. (NEW) (a) Each regional assets  
77 district established pursuant to section 2 of this  
78 act, shall have the following powers and duties  
79 and may exercise such powers in its own name:

80 (1) To make, enter into and award contracts  
81 with any person, association, partnership or  
82 corporation for the development, design,  
83 financing, construction, improvement, maintenance,  
84 operation, furnishing, fixturing, equipping and  
85 repair of regional assets;

86 (2) To conduct financial and performance  
87 reviews and audits of regional assets;

88 (3) To conduct long-term planning necessary  
89 for the efficient and effective operation and  
90 development of regional assets;

91 (4) To make bylaws with respect to the  
92 exercise of its own powers;

93 (5) To make, enter into and award contracts  
94 of every name and nature and to execute all  
95 instruments necessary or convenient for the  
96 carrying out of its business;

97 (6) To accept grants and to enter into  
98 contracts, leases, subleases, licenses or other  
99 transactions with any federal agency, state or  
100 political subdivision, person, association,  
101 partnership or corporation;

102 (7) To procure insurance in such amounts and  
103 from such insurers as the district may determine  
104 to be necessary or desirable for its purposes;

105 (8) To cooperate with any federal or state  
106 agency or political subdivision;

107 (9) To invest any funds not required for  
108 immediate disbursement.

109 (b) The district shall not employ personnel  
110 directly engaged in the operation of regional  
111 assets, but may enter into contracts with  
112 municipal and other public and private  
113 organizations for the operation and financing of  
114 regional assets.

115 (c) The board of directors shall appoint an  
116 advisory board comprised of representatives of  
117 business, nonprofit organizations, civic,  
118 municipal and state leaders to assist the district

119 in determining how best to spur economic growth  
120 using regional asset funds. Each member of the  
121 advisory board shall be appointed for a term of  
122 four years, except that of the initial  
123 appointments, one-half shall serve for a term of  
124 two years and one-half shall serve for a term of  
125 three years.

126 Sec. 5. (NEW) (a) Each district may negotiate  
127 and, by an affirmative vote of no less than sixty  
128 per cent of the board of directors, enter into  
129 cooperation and support agreements with owners and  
130 operators of regional assets which meet the  
131 eligibility criteria set forth in subsection (b)  
132 of this section.

133 (b) In order to qualify for funding from a  
134 regional assets district, in addition to any  
135 criteria established by the district, a regional  
136 asset shall serve a significant number of  
137 residents outside the municipality in which it is  
138 located, and receive funding from other public and  
139 private sources within the region. In determining  
140 whether a regional asset is eligible for funding,  
141 priority shall be given to regional assets located  
142 in a municipality which is a distressed  
143 municipality, as defined in section 32-9p of the  
144 general statutes or a targeted investment  
145 community, as defined in section 32-222 of the  
146 general statutes, or which qualifies for urban  
147 action bond funds pursuant to section 4-66c of the  
148 general statutes, as amended.

149 (c) The cooperation and support agreement  
150 executed with the owner and operator of each  
151 regional asset shall set forth a minimum level of  
152 financial support for the regional asset that  
153 shall be provided by the district in each of the  
154 first ten fiscal periods of the district, unless  
155 the regional asset ceases operations at the option  
156 of its owner and operator. The minimum level of  
157 financial support for a regional asset shall be  
158 not less than the financial support for the  
159 regional asset provided by the district during the  
160 first fiscal year of the agreement. If the minimum  
161 funding levels cannot be satisfied because of the  
162 lack of adequate resources, the minimum levels of  
163 funding for all regional assets shall be reduced  
164 by an equal fraction so as to ensure that total  
165 obligations do not exceed total revenues available  
166 to the district.

167 (d) The board shall conduct public hearings  
168 and meetings regarding proposed cooperation and  
169 support agreements and any revisions to such  
170 agreements.

171 Sec. 6. (NEW) (a) Each fiscal year the board  
172 shall adopt an operating and capital budget based  
173 upon all the cooperation and support agreements  
174 executed with the owners and operators of regional  
175 assets. The budget shall estimate the total  
176 revenues required for the operating and capital  
177 expenses of the district including revenues  
178 anticipated to fund such agreements.

179 (b) The board shall provide for an annual  
180 audit by an independent certified public  
181 accounting firm of the district's fiscal records  
182 and other records. A copy of such audit shall be  
183 sent to the Secretary of the Office of Policy and  
184 Management.

185 (c) The fiscal year of any district  
186 established pursuant to this act shall jointly be  
187 determined by the governing body of a district and  
188 the Commissioner of Revenue Services.

189 (d) From the total amount of funds allocated  
190 to a regional assets district in any fiscal year,  
191 the board of said district may deduct and retain  
192 one per cent of the funds provided or thirty  
193 thousand dollars, whichever is greater, for  
194 reasonable administrative costs.

195 Sec. 7. (NEW) Any municipality participating  
196 in the district (1) may make grants from current  
197 revenues to the district and to assist in  
198 defraying the costs of managing, operating,  
199 maintaining, financing and servicing the debt of  
200 regional assets or parts of regional assets, (2)  
201 may enter into long-term agreements providing for  
202 payment of the costs, and (3) may enter into  
203 long-term leases or subleases as lessee or  
204 sublessee of all or part of a regional asset.  
205 Obligations of the municipality to make grants or  
206 lease or sublease payments to the district shall  
207 not constitute debts of the municipality and shall  
208 be payable only to the extent that current  
209 revenues of the municipality are available. Any  
210 such municipality may issue general obligation  
211 bonds for the purpose of obtaining funds for the  
212 acquisition or improvement of regional assets or  
213 parts of regional assets.

214 Sec. 8. This act shall take effect July 1,  
215 1998.

216 FIN COMMITTEE VOTE: YEA 27 NAY 16 JFS

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"THE FOLLOWING FISCAL IMPACT STATEMENT AND BILL ANALYSIS ARE PREPARED FOR THE BENEFIT OF MEMBERS OF THE GENERAL ASSEMBLY, SOLELY FOR PURPOSES OF INFORMATION, SUMMARIZATION AND EXPLANATION AND DO NOT REPRESENT THE INTENT OF THE GENERAL ASSEMBLY OR EITHER HOUSE THEREOF FOR ANY PURPOSE."

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**FISCAL IMPACT STATEMENT - BILL NUMBER SHB 5683**

STATE IMPACT                   None, see explanation below

MUNICIPAL IMPACT           None, see explanation below

STATE AGENCY(S)           None

**EXPLANATION OF ESTIMATES:**

STATE AND MUNICIPAL IMPACT: Since the bill does not identify a funding source there is no fiscal impact.

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**OFA BILL ANALYSIS**

sHB 5683

**AN ACT IMPLEMENTING THE REGIONAL ASSETS AD HOC COMMITTEE RECOMMENDATIONS**

**SUMMARY:** The bill allows Councils of Governments (COGs) and Councils of Elected Officials (CEOs) whose member towns represent at least 50% or more of the population in their planning region to establish Regional Asset Districts. Municipalities must pass concurrent ordinances allowing their COG or CEO to establish a Regional Asset District. The bill also (1) defines the powers of Regional Asset Districts, (2) establishes eligibility criteria for an asset to be classified a regional asset and (3) permits Regional Asset Districts to enter into cooperation and support agreements with operators of regional assets.

EFFECTIVE DATE: July 1, 1998

**FURTHER EXPLANATION**Powers of Regional Asset Districts

The bill grants Regional Asset Districts the following powers and duties:

1. Make and enter into contracts associated with a regional asset;
2. Conduct financial and performance audits of regional assets;
3. Conduct long range planning necessary for the effective use and development of an asset;
4. Make and promulgate rules and regulations in connection with the performance of its functions and duties;
5. Enter into and award contracts and instruments necessary for the carrying out of its business;
6. Accept grants and enter into contracts, leases, subleases, licenses or other transactions with any federal agency, state public body, political subdivision, person, association, partnership or corporation;
7. Procure insurance;
8. Invest funds.

Regional Asset Eligibility Criteria

Each region establishes its own priorities but qualifying assets must:

1. Be a civic, science, recreational, sports, arts, transportation, or cultural facility or project, or library which is part of a multi-municipal-system, but does not include schools or health care facilities with priorities given to assets located in Distressed Municipalities, Targeted Investment Communities, and Urban Act municipalities;
2. Receive approval from at least 60% of the governing



board of directors of the Regional Asset District Regional;

3. Secure funding from other public and private sources in addition to any funding provided by the Regional Asset District;
4. Serve a significant number of residents from outside the municipality where the asset is located.

#### Cooperation and Support Agreements

Regional Asset Districts may enter into agreements with operators of assets that have been classified as regional assets. Agreements will establish annual minimum funding levels that districts will provide to regional assets over a ten-year period. The bill also specifies that if minimum funding levels cannot be maintained due to lack of resources, then funding will be reduced by a proportional amount to all assets under agreement

#### **COMMITTEE ACTION**

Finance, Revenue and Bonding Committee

Joint Favorable Substitute  
Yea 27      Nay 16